

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6806

BILL NUMBER: SB 470

NOTE PREPARED: Feb 13, 2015

BILL AMENDED: Feb 12, 2015

SUBJECT: Schools Receiving Choice Scholarships.

FIRST AUTHOR: Sen. Schneider

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that an accredited nonpublic school may administer, instead of the ISTEP program, another nationally recognized and norm referenced assessment in the same manner as a freeway school may.

The bill provides that a school that is eligible to accept Choice Scholarships may: (1) be accredited by the State Board of Education (State Board) or a regional or national accreditation body that is recognized by the state board; and (2) use a locally adopted assessment program instead of the ISTEP program.

Effective Date: July 1, 2015.

Explanation of State Expenditures: (Revised) The bill could increase the state expenditures for Choice Scholarships if more schools apply to become Choice Scholarship schools. For FY 2014-15, 317 private schools were approved to accept about 29,146 Choice Scholarship students at a cost of about \$122.6 M. The average scholarship was \$4,207 per student. The state could also have decreased tuition support cost to public schools if the number of Choice Scholarships for students currently attending public schools increased. The regular program tuition support per student varies between \$4,518 and \$8,612. The net savings would vary from about \$481 to \$3,763 per student.

The bill could reduce ISTEP costs if an accredited nonpublic school uses a different test. The savings would probably be minor.

The state could also have some additional costs in reconciling the approved performance and growth assessment programs of nonpublic schools so they can be used to measure a school's improvement and to

give the school a performance grade.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: If the number of students who leave public school to use a Choice Scholarship to attend a nonpublic school increases, public schools could have a decrease in tuition support revenue. The regular program tuition support per student varies between \$4,518 and \$8,612.

State Agencies Affected: DOE.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.